



IFW AF

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

REPLY BRIEF FOR THE APPELLANTS

Ex parte Cicanowicz

**AUTOMATED METHOD FOR CONDUCTING BUY/SELL TRANSACTIONS FOR NON-  
COMMODITY MATERIALS OR DEVICES**

Serial Number: 09/839,245  
Filed: April 23, 2001  
Appeal No.:  
Group Art Unit: 3627  
Examiner: E. Gort

In the event that there may be any fees due with respect to the filing of this paper, please charge Deposit Account No. 01-2300, **referencing docket number 023407-00000.**

Respectfully submitted,

Robert K. Carpenter  
Registration No. 34,794  
Attorney for Appellant

Customer No. 004372  
ARENT FOX PLLC  
1050 Connecticut Avenue, N.W.,  
Suite 400  
Washington, D.C. 20036-5339  
Tel: (202) 857-6000  
Fax: (202) 638-4810

Date: November 15, 2004



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re the Appellant:

CICHANOWICZ

Art Unit: 3627

Application No.: 09/839,245

Examiner: E. Gort

Filed: April 23, 2001

Attorney Dkt. No.: 023407-00000

For: AUTOMATED METHOD FOR CONDUCTING BUY/SELL TRANSACTIONS FOR  
NON-COMMODITY MATERIALS OR DEVICES

**REPLY BRIEF UNDER 37 C.F.R. § 41.41**

Date: November 15, 2004

**I. INTRODUCTION**

The Appellants have received the Examiner's Answer dated September 16, 2004, in the above-referenced appeal. Pursuant to 37 C.F.R. § 41.41 and MPEP § 1208.03, Appellants respectfully submit this Reply Brief.

**II. SUMMARY**

This paper is submitted as part of an appeal from the rejections set forth in the final Office Action dated December 5, 2003, in the above-referenced application. The first issue on appeal is whether claims 1-8 and 13-20 would have been obvious over Katz et al. (U.S. Patent No. 5,224,034) in view of Vandivier, III (U.S. Patent No. 5,033,004). The second issue on appeal is whether rejection of claims 1-8 under 35 U.S.C. 112, second paragraph,

as being indefinite was overcome by the Amendment made in Appellant's October 16, 2003, Amendment.

### III. ISSUES IN REPLY BRIEF

#### **35 U.S.C. § 103(a) Rejection of Claims 1-8 and 13-20**

The presently claimed invention is directed to a method by which a non-commodity material or item can be bought and sold over a computer network. As noted on page 1 of the present specification, non-commodity materials or items are "materials or items that cannot be solely distinguished by price alone, in that subtle differences in features or chemical/physical characteristics will influence the performance of a particular process or design that utilizes the material or item" (see page 1, lines 7-11 of the present specification). Examples of non-commodity materials or items include coal, paper pulp, crude oil, etc.

Present claims 1-8 require a step of "a buyer providing to the network a performance simulation model of a chemical, mechanical, or electrical process...and with a desired amount of the non-commodity for use in the process, the performance simulation model being able to estimate the production cost and operating characteristics of the process..." Similarly, claims 13-20 require a step of "a buyer providing to the computer network a performance simulation model of a power production process in power generation equipment...and with a desired amount coal for use in the power production process, the performance simulation model being able to estimate the performance of the power production process... and project operating characteristics..."

On page 3 of the Examiner's Answer dated September 16, 2004, the Examiner takes the position that Katz et al. discloses "a buyer providing to [a] network a performance

simulation model of a process...and with a desired amount of the non-commodity for use in the process.” The Examiner asserts that the performance simulation model is “when the buyer provides product constraints and/or product requirements which identify products and when buyer indicates their desired volume/demand.” On page 7 of the Examiner’s Answer, the “Examiner contends that the system of Katz et al. and [Vandivier, III] both disclose the buyer providing to a computer network a performance simulation model when the buyer provides product requirements and constraints (in Katz et al.) and provides specific percentages of sulfur, ash, moisture, and Btu/lb (in [Vandivier, III]) [as] these limitations represent a model of the chemical, mechanical, or electrical process of the buyer’s equipment currently in operation or intended to be in operation” (Reply Brief page 7, last paragraph).

It is unclear how identifying product constraints or product requirements could be construed as a performance simulation model since no performance is simulated by identifying products or their characteristics. For example, identifying a coal having specific percentages of sulfur, ash, moisture, and Btu/lb does not simulate performance. Identifying a coal having such specific characteristics only enables an estimate of the cost of purchasing that coal, and not the cost of operating a process using that coal or, for example, considering powerplant operating characteristics that require engineering analysis of the power generation system.

In Appellant’s invention, such specific characteristics are processed through a model to simulate performance for “estimating the cost of operating the process or producing goods from the process” or for “estimating the performance of the power production

process” to make a comparison of the cost of the process for different commodities or coals. By being able to compare the costs of the processes, for example the power production cost and operating characteristics of the power station for which a coal is being considered, the buyer can determine when a higher priced coal actually results in a lower priced overall process, an occurrence that is commonplace.

Additionally, the present claims require that the process simulation model to be “of a chemical, mechanical, or electrical process” or “a power production process.” Katz et al. nowhere teaches or suggests a performance simulation model, let alone a performance simulation model of a chemical, mechanical, or electrical process, or of a power production process, as required by the present claims.

Vandivier, III only discloses a method for blending natural resources such as coal. As is the case for Katz et al., Vandivier, III at best only teaches identifying products and nowhere teaches or suggests a buyer providing a performance simulation model of a chemical, mechanical or electrical process, or of a power production process, as required by the present claims. Appellant respectfully submits this is a significant difference, as the method of Vandivier, III identifies mixtures of coal that constrain or optimize one constituent of coal, subject to the constraints of other constituents or physical features. Nowhere in Vandivier III are the engineering features of the power plant – the inputs to a process simulation model along with coal composition – considered or even discussed

Thus, as elements of the presently claimed invention, which utilizes engineering features of the power plant or other process in the form of a performance simulation model, are missing from the combination of Katz et al. and Vandivier, III, Appellant respectfully

submits that the presently claimed invention would not have been obvious over this combination

Additionally, the present claims require a step of “providing the buyer with a list of non-commodities that...are within the desired maximum process production or operating cost, or provide certain operating characteristics” or “providing the buyer with a list of coals that when utilized in given power production equipment are within the desired power generation cost and operating characteristics due to coal composition impacts.”

In contrast, although the “Examiner reads the term “list” broadly to include more than one option...” (Examiner’s Answer page 11, lines 2-3), Katz et al. actually make clear that only a single optimal purchasing option is rendered. As Katz et al. state, the “determination by a purchasing manager of the most economical purchasing option for required products...has been virtually an intractable problem” (column 1, lines 61-66). Thus, Katz et al. specifically disclose that the Katz et al. method generates a report “via the determination of an optimal solution...**without calculating the actual cost of non-optimal solutions**” (Katz et al., column 2, lines 58-64, emphasis added).

Thus, Katz et al. only disclose the generation of a single optimal list of product names and the amount of each product that should be ordered in the optimal solution (see reference numeral 260 in Katz et al. Fig. 2). The list of products in Katz et al. do not have to be within a desired maximum process production or operating cost, or provide certain operating characteristics or do not have to be a list of coals that when utilized in given power production equipment are within the desired power generation cost and operating characteristics due to coal composition impacts.

The list of products in Katz et al. is only directed to the cheapest price for the products needed. If one of skill in the art were to have applied the teachings of Katz et al. to a coal situation, the result would always be that the coal cheapest in price would be determined , and not the lowest process production cost, or that enables process (for example power plant) operation with desired characteristics, such as heat rate, auxiliary power consumption, and a slagging risk factor as shown on page 17 of the present specification in the table "Power Production Costs and Operating Characteristics".

Thus, Appellant submits that the presently claimed invention additionally would not have been obvious over the applied references, particularly since the application of a performance model to Katz et al. would be unnecessary since Katz et al. only requires the cost and amount needed of the product, and not the resultant production cost and/or operational features of the power plant, that are captured only in a performance model.

Furthermore, Appellant respectfully submits that it would not have been obvious to use a maximum price to calculate a non-optimal cost in the Katz et al. method, since Katz et al. clearly teach against calculating the actual cost of non-optimal solutions.

As the Examiner states on page 9, section b, of the Examiner's Answer, "[t]he Examiner agrees that Katz and Vandiver do not disclose the consideration of a maximum process cost." However, the Examiner asserts that "it is old and well known in the art of trade for buyers to present their suppliers their operating demands including maximum prices they can pay [and the] act of buyers giving a maximum price is common practice to negotiate a sale between a buyer and as seller." The Examiner thus takes the position that it would have been obvious to modify the Katz method, which determines a minimum cost,

to use a maximum process cost.

However, the art provides no teaching or suggestion to make such a modification to the teachings of Katz et al. and Vandivier, III. Additionally, the Examiner has not explained any motivation for making this modification.

Appellant respectfully submits that it would not have been obvious to use a maximum price to calculate a non-optimal cost in the Katz et al. method, since Katz et al. clearly teach against calculating the actual cost of non-optimal solutions.

Thus, as Katz and Vandiver do not disclose the consideration of a maximum process cost, to which the Examiner agrees, and as Katz et al. clearly teach against calculating anything other than an optimal cost, Appellant respectfully submits that the presently claimed invention would not have been obvious over Katz et al. and Vandivier, III for this additional reason.

Regarding present claims 1-8, as the Examiner states on page 11, section d, of the Examiner's Answer, "[t]he Examiner agrees that Katz and Vandiver do not disclose applying information in the formulation of a request-for-proposal." However, the Examiner asserts that "it would have been obvious to modify the method of Katz and Vandiver to automatically acquire knowledge from buyer's performance of products used and use this knowledge to alter future request-for-proposals to acquire better more cost effective non-commodity items."

However, as Katz et al. only determines the least cost list of items to be purchased, there would have been no (non-obvious) reason to modify Katz et al.

However, the art provides not teaching or suggestion to make such a modification to



the teachings of Katz et al. and Vandivier, III. Additionally, the Examiner has not explained any motivation for making this modification.

Finally, Appellant does not understand how withdrawn claim 9 could be considered patentably distinct from the present claim 1, but the combination of Katz et al. and Vandivier, III could be considered not patentably distinct from present claim 1. According to the Restriction Requirement asserted in the June 16, 2003, Office Action, claim 13 is patentably distinct from claim 1 because "the system for conducting transactions can be used for another and materially different process. For example the system for conducting transactions can be used for tracking inventory, carrying out market research, or for conducting electronic mail communications" (Page 2 of the June 16, 2003, Office Action).

Since the Katz et al. system for generating procurement lists could be used for (and in fact is used for) another and materially different process, such as tracking inventory, carrying out market research, or for conducting electronic mail communications, and since the Vandivier, III system for blending coal and other natural resources could be used for (and in fact is used for) another and materially different process, such as tracking inventory, carrying out market research, or for conducting electronic mail communications, Appellant respectfully submits that present claim 1, and in fact all of present claims 1-8 and 13-20 are patentably distinct from the system of withdrawn present claim 9 as the Examiner admits, as well as (and much more so) from systems of Katz et al. and Vandivier III.

Thus, for at least the above reasons, Appellant respectfully submits that the recited subject matter of presently pending claims 1-8 and 13-20 of the above-referenced

application on appeal would not have been obvious over the combination of Katz et al. in view of Vandivier, III.

**35 U.S.C. § 112, second paragraph, Rejection of Claims 1-8**

The Examiner's Answer does not address the outstanding rejection of claims 1-8 under 35 U.S.C § 112, second paragraph. As discussed in Appellant's Appeal Brief, Appellant believes that this issue is moot, although no notice to that effect has been made.

**IV. CONCLUSION**

In summary, therefore, and for all of the above-noted reasons, it is strongly contended that certain clear differences exist between the present invention as claimed in claims 1-8 and 13-20 and the prior art relied upon by the Examiner. It is further contended that these differences are more than sufficient that the present invention would not have been obvious to a person having ordinary skill in the art at the time the invention was made. It is also strongly contended that the present invention as claimed in claims 1-8 is not indefinite under 35 U.S.C § 112, second paragraph.

In view of the above, it is respectfully requested that this Reply Brief be entered into this appeal, this Honorable Board of Patent Appeals and Interferences reverse the Examiner's decisions in this case and indicate the allowability of application claims 1-8 and 13-20.

In the event that this paper is not being timely filed, the Appellants respectfully petition for an appropriate extension of time. Any fees for such an extension, together with any additional fees which may be due with respect to this paper, may be charged to Counsel's Deposit Account No. 01-2300, **referencing docket number 023407-00000**.

Respectfully submitted,

A handwritten signature in black ink, reading "Robert K. Carpenter". The signature is fluid and cursive, with the first name "Robert" and last name "Carpenter" clearly distinguishable.

Robert K. Carpenter  
Attorney for Appellant  
Registration No. 34,794

Customer No. 004372  
ARENT FOX PLLC  
1050 Connecticut Avenue, N.W.,  
Suite 400  
Washington, D.C. 20036-5339  
Tel: (202) 857-6000  
Fax: (202) 638-4810